The Myanmar Investment Commission

Union of Myanmar Investment Commission
Form (2) Sr. No. 2652
Dated 30.11.2000

PERMIT

Permit No. 353/2000 Date 30 NOVEMBER, 2000

The Myanmar Investment Commission issues this Permit under Section 10 of the Union of Myanmar Foreign Investment Law -

(a) Name of Promoter MR. CHANG BUM PARK

(b) Citizenship KOREAN

(c) Address ROOM NO.302, 764-16 SUCK-SU-DONG, AN-YANG SI, KYUNG-GI DO, REPUBLIC OF KOREA

(d) Name and address of principal organization EUNSUNG CORPORATION, ROOM NO. 604, SAEHAN VENTURE WORLD BUILDING 113-15, SHIHUNG DONG, KEMCHUN GU, SEOUL, REPUBLIC OF KOREA

(e) Place of incorporation REPUBLIC OF KOREA

(f) Type of business in which investment is to be made MANUFACTURING OF KNITWEARS AND GARMENTS ON CMP BASIS

(g) Place (s) at which investment is permitted PLOT NO.29, YANGON INDUSTRIAL PARK, NORTH OKKALAPA TOWNSHIP, YANGON

(h) Amount of foreign capital US$ 2.0 MILLION (EQUITY US$ 2.0 MILLION)

(i) Period for bringing in foreign capital WITHIN 18 MONTHS FROM THE DATE OF ISSUANCE OF PERMIT

(j) Total amount of capital (Kyat) EQUIVALENT IN KYAT OF US$ 2.0 MILLION

(k) Permitted duration of investment 15 YEARS

(l) Name of the economic organization to be formed in Myanmar MYANMAR SILVER CASTLE COMPANY LIMITED

U Thaung

Chairman

The Myanmar Investment Commission

ဌာနအမှတ် ၂၉၅၂
နေ့စွဲ ၃၀.၁၁.၂၀၀၀

မြန်မာနိုင်ငံရင်းနှီးမြှုပ်နှံမှုကော်မရှင်

ခွင့်ပြုမိန့်

ခွင့်ပြုမိန့်အမှတ် ၃၅၃/၂၀၀၀ ၂၀၀၀ ခုနှစ်၊ နိုဝင်ဘာလ ၃၀ ရက်။

ပြည်ထောင်စုမြန်မာနိုင်ငံတော် နိုင်ငံခြားရင်းနှီးမြှုပ်နှံမှု ဥပဒေပုဒ်မ ၁၀ အရ ဤခွင့်ပြုမိန့်ကို မြန်မာနိုင်ငံရင်းနှီးမြှုပ်နှံမှု ကော်မရှင်က ထုတ်ပေးလိုက်သည် -

(က) ကမကထပြုသူ၏အမည် MR. CHANG BUM PARK

(ခ) မည်သည့်နိုင်ငံသား KOREAN

(ဂ) နေရပ်လိပ်စာ ROOM NO.302, 764-16 SUCK-SU- DONG, AN-YANG SI, KYUNG-GI DO, REPUBLIC OF KOREA

(ဃ) ပင်မအဖွဲ့အစည်းအမည်နှင့်လိပ်စာ EUNSUNG CORPORATION, ROOM NO.604, SAEHAN VENTURE WORLD BUILDING 113-15, SHIHUNG DONG, KEMCHUN GU, SEOUL, REPUBLIC OF KOREA

(င) ဖွဲ့စည်းရာအရပ် REPUBLIC OF KOREA

(စ) ရင်းနှီးမြှုပ်နှံမှုပြုလုပ်မည့်လုပ်ငန်းအမျိုးအစား CMP စနစ်ဖြင့်စက်ထိုး ထည်နှင့်အထည်ချုပ်လုပ်ငန်း ဆောင်ရွက်ခြင်း

(ဆ) ရင်းနှီးမြှုပ်နှံမှုပြုလုပ်ခွင့်ပြုသည့်အရပ်ဒေသ(များ) အကွက်အမှတ် ၂၉၊ ရန်ကုန်စက်မှုဇုန်၊ မြောက်ဥက္ကလာပမြို့နယ်၊ ရန်ကုန်မြို့

(ဇ) နိုင်ငံခြားမတည်ငွေရင်း အမေရိကန်ဒေါ်လာ၂.၀သန်း (ကိုယ်ပိုင်မတည်ငွေရင်း အမေရိကန်ဒေါ်လာ၂.၀သန်း)

(ဈ) နိုင်ငံခြားမတည်ငွေရင်းယူဆောင်လာရမည့်ကာလ ခွင့်ပြုမိန့်ရရှိပြီး (၁၈)လအတွင်း

(ည) စုစုပေါင်း မတည်ငွေရင်း ပမာဏ(ကျပ်) အမေရိကန်ဒေါ်လာ၁၂.၀သန်းနှင့်ညီမျှသောမြန်မာကျပ်ငွေ

(ဋ) ရင်းနှီးမြှုပ်နှံခွင့်ပြုသည့်သက်တမ်း ၁၅ နှစ်

(ဌ) မြန်မာနိုင်ငံတွင် ဖွဲ့စည်းမည့် စီးပွားရေးအဖွဲ့အစည်းအမည် MYANMAR SILVER CASTLE COMPANY LIMITED

ဥက္ကဋ္ဌ
မြန်မာနိုင်ငံရင်းနှီးမြှုပ်နှံမှုကော်မရှင်

GOVERNMENT OF THE UNION OF MYANMAR
MYANMAR INVESTMENT COMMISSION
653 / 691, Merchant Street, Yangon.

Our ref : Ya Ka-1/506/2000 (2652)
Dated : 30th November 2000.

Tel : 272219, 272855
Fax : 095-01-282101

Subject : Decision of the Myanmar Investment Commission on the Proposal for "Manufacturing of Knitwears and Garments on CMP Basis" under the name of "Myanmar Silver Castle Company Limited".

Reference: Ministry of Construction Letter No. 78/khwe-3/2000(C 7123) dated 18-8-2000.

1. The Myanmar Investment Commission, at its meeting 33/2000 held on 2-10-2000 had reviewed the proposal for investment in "Manufacturing of Knitwears and Garments on CMP Basis" under the name of "Myanmar Silver Castle Company Limited " submitted by Eunsung Corporation of Republic of Korea as a wholly foreign owned investment. After careful review, it was deliberated that the proposed project be approved in principle for implementation and the proposal be submitted to the Cabinet meeting for final approval.

2. The Cabinet, at its meeting 44/2000 held on 22-11-2000 resolved to permit the implementation of the said project. Hence, the "Permit" is herewith issued in accordance with Chapter VI, Section 10 of the Union of Myanmar Foreign Investment Law and Chapter VI, Rule 13 of the Procedures relating to the said Law. Terms and conditions to the "Permit" are stated in the following paragraphs.

3. The permitted duration of the project shall be 15(Fifteen) years from the effective date of the Lease Agreement and extendible for another 5 (Five) years each upon mutual agreement between the Department of Human Settlement and Housing Development and Myanmar Silver Castle Company Limited. At the end of the Lease period, Myanmar Silver Castle Company Limited shall transfer the leased land and buildings together with all materials, fixed assets associated therewith to the Department of Human Settlement and Housing Development without any consideration within 3(Three) months in good conditions, ground damages having been refilled or repaired.

4. The annual rent shall be calculated at the rate of US $ 3.0 (United States Dollars Three Only) per square meter per annum for the project area of 2.536 acres (10262.84 square meter) to the amount of US $ 30788.52 (United States Dollars Thirty Thousand, Seven Hundred and Eighty Eight and Fifty Two Cents Only) .The rent shall be revised in view of prevailing annual rent after every 5(Five) years period and the rate of increase of the rent shall not be more than 15 (Fifteen) percent of the preceding annual rent.

5. Myanmar Silver Castle Company Limited shall provide a Performance Bank Guarantee to the amount of US $ 50,000 (United States Dollars Fifty Thousand Only) in favour of the Department of Human Settlement and Housing Development within 30(Thirty) days after the signing of the One Hundred Percent Foreign Investment Contract.

6. Myanmar Silver Castle Company Limited shall pay for maintenance of the Industrial Zone as management fee as prescribed by the Management Committee of the Yangon Industrial Park.

7. In issuing this "Permit" the Commission has granted the following exemptions and reliefs:

(a) As per Section-21(a), exemption from income-tax up to 36(Thirty Six) months starting from the month of commencement of commercial operation.

(b) As per Section-21(b), regarding exemption from income-tax on profits of the business if they are maintained in a reserve fund and re-invested therein within one year after the reserve is made, Myanmar Silver Castle Company Limited shall apply for such exemption only after 3-years tax holiday period.

(c) As per Section-21(c), Myanmar Silver Castle Company Limited shall be granted to accelerate depreciation in respect of machinery, equipment, building or other capital assets used in the business to the extent of the original value for the purpose of income-tax assessment. However, Myanmar Silver Castle Company Limited shall have to apply to the Commission such rates of depreciation.

(d) As per Section-21(d), relief from income tax up to 50 percent on profits accrued from exports, such relief has to be applied, upon actual performance, following 3-years tax holiday period.

(e) As per Section-21(e), Myanmar Silver Castle Company Limited shall have the right to pay income-tax payable to the State on behalf of foreigners who have come from abroad and are employed in the enterprise and the right to deduct such payment from the assessable income.

(f) As per Section-21(f), the Commission has also approved the right to pay income-tax on the income of the above-mentioned foreigners at the rates applicable to the citizens residing within the country.

(g) As per Section-21(g), regarding the right to deduct from the assessable income such expenses incurred in respect of research and development relating to the enterprise which are actually required and are carried out within the State, Myanmar Silver Castle Company Limited shall apply, upon actual performance of such research and development programme, only after 3-years tax holiday period.

(h) As per Section-21(h), regarding right to carry forward and set-off up to three consecutive years from the year the loss is sustained following the enjoyment of exemption from income-tax, Myanmar Silver Castle Company Limited shall file the case, if any, to the Ministry of Finance and Revenue in accordance with Section-4 of the Income Tax Amendment Law, 1991.

(i) As per Section-21(i), exemption from customs duty and all other internal taxes on machinery, equipment, instruments, machinery components, spare parts and materials used in the business, which are imported as they are actually required for use during the period of construction.

(j) As per Section-21(j), exemption from customs duty and all other internal taxes on such raw materials and additional import of machinery, equipment and spare parts which are actually required for operation of the business shall be granted within three years of commercial operation following the period of construction. However, such imports shall be subject to the approval endorsed by the Ministry of Construction.

8. Myanmar Silver Castle Company Limited Limited shall have to sign One Hundred Percent Foreign Investment Contract and the Lease Agreement with the Department of Human Settlement and Housing Development . After signing such Agreements, (5) copies each of those shall have to be forwarded to the Commission.

9. Myanmar Silver Castle Company Limited in consultation with the Department of Company Administration, Directorate of Investment and Company Administration shall have to be registered. After registration, (5) copies each of Certificate of Incorporation and Memorandum and Articles of Association shall have to be forwarded to the Commission.

10. Myanmar Silver Castle Company Limited shall use its best efforts for timely realization of works stated in the Proposal. If none of such works has been commenced within one year from the date of issue of this "Permit", it shall become null and void.

11. The official date of operation shall be reported to the Commission.

12. Myanmar Silver Castle Company Limited shall endeavour to meet the targets for production and export stated in the proposal as the minimum target.

13. The Commission approves periodical appointments of foreign experts and technicians from abroad as per Proposal. Myanmar Silver Castle Company Limited shall have to consult with Directorate of Labour, Ministry of Labour for appointment of such foreign experts and technicians.

14. In order to evaluate foreign capital in terms of Kyats and for the purpose of its registration in accordance with the provision under Section-24 of the Union of Myanmar Foreign Investment Law, it is compulsory to report as early as possible in the following manner.

(a) The amount of foreign currency brought into Myanmar, attached with the necessary documents issued by the respective bank where the account is opened.

(b) The detailed lists of the type and value of foreign capital defined under Section-2(h) of the said Law, other than foreign currency, to the Chairman, Foreign Capital Evaluation Sub-Committee.

15. Whenever Myanmar Silver Castle Company Limited brings in foreign capital defined under Section 2(h) of the said Law, other than foreign currency in the manner stated in paragraph 14(b) mentioned above, the Inspection Certificate endorsed and issued by an internationally recognized Inspection Firm with regard to quantity, quality and price of imported materials shall have to be attached.

16. After all types of foreign capital (foreign currency and other types of foreign capital) have been brought into Myanmar, a report shall have to be submitted to the Commission as prescribed, vide letter No. Na-Ya 9/101/92(416) dated 3-12-92 [Annexure(1)]

17. Myanmar Silver Castle Company Limited shall report to the Commission for any alteration in the physical and financial plan of the project. Cost over-run, over and above the investment amount pledged in both local and foreign currency shall have to be reported as early as possible.

18. Myanmar Silver Castle Company Limited shall be responsible for the preservation of the environment at and around the area of the project site. Hence, it shall observe the directive issued by the Commission vide letter No. Ya Ka-1/139/94 (0440) dated 30-6-94 [Annexure(2)] to undertake all proper treatment systems and other necessary environmental control systems.

19. Myanmar Silver Castle Company Limited shall follow the procedures prescribed by the Commission, vide letter No. Ya Ka-7/408/94 (0424) dated 29-6-94 [Annexure(3)] to expedite the clearance of imports of capital and inter-industry use goods brought in as capital investment and raw materials required during the initial 3-years operation period

20. Payment of principal and interest of the loan (if any) as well as payment for import of raw materials and spare parts etc. shall only be made out of the official foreign exchange earnings of Myanmar Silver Castle Company Limited.

21. Myanmar Silver Castle Company Limited in consultation with Myanma Insurance, shall effect such types of insurance defined under Chapter VIII, Rule 15 of the Procedures relating to the Union of Myanmar Foreign Investment Law.

U Thaung

(U Thaung)
Chairman

Mr. Chang Bum Park
Eunsung Corporation.

c/o Director General
Department of Human Settlement and Housing Development

cc:
1. Office of the Chairman of State Peace and Development Council
2. Office of the State Peace and Development Council
3. Office of the Government of the Union of Myanmar
4. Office of the Strategic Studies, Ministry of Defence
5. Ministry of National Planning and Economic Development
6. Ministry of Finance and Revenue
7. Ministry of Commerce
8. Ministry of Construction
9. Ministry of Foreign Affairs
10. Ministry of Home Affairs
11. Ministry of Immigration and Population
12. Ministry of Labour
13. Ministry of Electric Power
14. Chairman, Committee for Assisting the Myanmar Investment Commission (Governor, Central Bank of Myanmar)
15. Chairman, Foreign Capital Evaluation Sub-Committee
16. Director General, Directorate of Investment and Company Administration
17. Director General, Customs Department
18. Director General, Internal Revenue Department
19. Managing Director, Myanma Foreign Trade Bank
20. Managing Director, Myanma Investment and Commercial Bank
21. Managing Director, Myanma Insurance
22. Managing Director, Myanma Electric Power Enterprise
23. Director General, Directorate of Trade
24. Director General, Immigration and National Registration Department
25. Director General, Directorate of Labour
26. Chairman, Union of Myanmar Federation of Chambers of Commerce and Industry (UMFCCI)